

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0470P

**Sales and Use Tax
Calendar Years 1994, 1995, 1996, and 1997**

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer is an Indiana corporation with several business locations in Indiana and performs various operations including seed production, research, grain drying and storage.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent in remitting use tax.

Taxpayer failed to self assess use tax for approximately ninety percent (90%) of its taxable purchases although it had a prior audit.

Taxpayer protests the penalty and states that it has had major turn over in personnel. In the past two years, the person responding to the protest, states he has made efforts to correct the problem. A review of the audit indicates that compliance was approximately eighty percent (80%) for calendar year 1997 resulting from an overpayment of sales tax on fixed assets purchases but less than ten percent (10%) in all other years. In addition, no use tax was self accrued in 1997.

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The department finds no reasonable cause exists, therefore, the request for penalty waiver is denied.

FINDING

Taxpayer's protest is denied.